

STRUCTURING A SMALL BUSINESS

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Key Items You Need to Know

➤ HELPING SMALL BUSINESSES GET OFF THE GROUND AND OBTAIN GROWTH AND PROSPERITY

“How do I create a plan for my business?”

“Where can I get capital to start my business?”

“What forms do I need to fill out for my employees?”

The Iowa Department of Economic Development (IDED) knows how hard it is to get a business up and running, and is committed to helping people through the process. This fact sheet was developed to assist small business owners' research possible funding sources, learn the rules and regulations needed to start a business, and help plan and strategize for the future.

Please visit the links below to learn more about these programs. If you need any further information, or want to know about other IDED programs, please contact the Iowa Regulatory Assistance Team by visiting www.iowalifechanging.com or call 1.800.245.4692 (toll free).

Business Planning

To start a business, you will need a sound plan for success.

Contact: Iowa Small Business Developments Centers can assist you with business planning.

Visit: www.iabusnet.org/sbdccenters.cfm

Review: The Iowa Department of Economic Development Business Resource Workbook is a comprehensive overview of small business considerations and resources. It can be found at:
www.iowalifechanging.com/business/downloads/blic/resource_workbook.pdf

Legal Structure

Determining the form of legal ownership that makes sense for your business type is an important step in starting a company.

Review: The Iowa Secretary of State's Guide to Iowa's Most Commonly Used Business Organizations provides insight on Iowa's most frequently used business structures.

Visit: www.sos.state.ia.us/business/handbookintro.html

Other business structures: Corporations, limited partnerships, limited liability companies, nonprofits, trademarks or service marks should be registered with the Iowa Secretary of State at:
www.sos.state.ia.us/business/index.html

Sole proprietorship: If you choose to be a sole proprietor, register with your local County Recorder. For a listing of County Recorders, visit:
www.iowacounties.org/Publications/2005CountyDirectory/directory.htm

Iowa Business License Information Center:

Visit www.iowalifechanging.com/business/blic to see if any other compliance requirements apply to your business or call 1.800.532.1216 (toll free).

Tax Information for Business

Before you get your business off the ground, find out what tax-related responsibilities need to be considered.

Business Tax Registration Form: You will need to register as a withholding agent with the Iowa Department of Revenue if you maintain an office or transact business in Iowa and are required to withhold federal income tax on any compensation paid in Iowa. For more information, go to: www.idrf.state.ia.us/CBA/start.asp

Sales Tax Permit: If you plan to make taxable sales in Iowa, apply for an Iowa sales tax permit. More information can be found at: www.idrf.state.ia.us/CBA/start.asp

Income Tax Requirements: Check out your business income tax requirements online at the Iowa Department of Revenue:
www.state.ia.us/tax/business/newbus.html or contact a tax specialist at 515.281.3114 or out of state (Rock Island, Moline and Omaha) at 1.800.367.3388 (toll free).

For more information on taxes and tax structure, contact the Iowa Department of Revenue and Finance at idrf@idrf.state.ia.us

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Businesses with Employees

As an employer, you have certain obligations to your employees. Understanding these prior to business start-up can be critical to your success.

Iowa W-4 form: Within 15 days of hire every employee of your business must complete an Iowa W-4 form. Find out more at:
www.state.ia.us/tax/forms/44019.pdf

Unemployment Insurance: The Unemployment Services Division of Iowa Workforce Development provides services to businesses, workers and the citizens of Iowa by collecting unemployment insurance taxes, maintaining the Iowa Unemployment Compensation Trust Fund and making payments to eligible jobless workers. For more information call Iowa Workforce Development at 515.281.5339 or 1.800.972.2024 (toll free) or visit:
www.iowaworkforce.org/ui/uiemployers.htm

Workers Compensation: Most employers are required to purchase workers' compensation liability insurance. For more information contact Iowa Workforce Development's Compliance Administrator at 515.281.5387 or 1.800.562.4692 (toll free) or visit:
www.iowaworkforce.org/wc/index.html

Federal Employer Identification Numbers (FEIN): You will need a FEIN if you are a sole proprietorship and have employees, or if your business is a corporation or partnership. You will also need a FEIN if you sell alcohol, firearms, tobacco or need to pay federal excise taxes. For further details go to: www.sa.www4.irs.gov/sa_vign/newFormSS4.do

Employment Eligibility Verification (Federal Form I-9): All U.S. employers are responsible for completing and retaining a federal form I-9 for each individual hired for employment in the U.S., including citizens and non-citizens. For more information, please visit:
www.uscis.gov/graphics/formsfee/forms/files/i-9pdf

Federal W-2: The federal W-2 is a form used to report employee wage and tax benefits. A sample of this form can be found at:
www.irs.gov/pub/irs-pdf/fw2.pdf

Federal Withholding Allowance Certificate W-4: The W-4 is a federal form used by the employer to withhold federal income tax from an employee's pay. For more information go to:
www.irs.gov/pub/irs-pdf/fw4.pdf



Entrepreneurial Services

Every great product or service begins with a few people who have the genius for good business ideas and need the help of others to bring it to reality. In Iowa, the innovative spirit of entrepreneurship is supported through financial and technical assistance from state-sponsored programs that help turn ideas into action.

Iowa Community Based Seed Funds: Learn more about how to start your own venture capital fund by visiting:
<http://www.iowalifechanging.com/business/seed.html>

If you are seeking capital, access a list of existing equity funds in Iowa by visiting:
www.iowalifechanging.com/business/downloads/equityfunds.doc

Venture Network of Iowa (VNI): The Venture Network of Iowa (VNI) extends a unique opportunity for entrepreneurs to present ideas to many of Iowa's most adept and eager investors. More information can be found about this program by visiting:
www.iowalifechanging.com/business/vni.html

Helping New Businesses Grow

Eight new business accelerators were funded in 2005 to foster the accelerated growth of new and existing businesses. These centers offer technical assistance and mentoring to Iowa's high growth opportunity companies. Staff has extensive business experience and access to legal, accounting and marketing services. For more information on these new services, email:
vni@iowalifechanging.com

For more information about how your company can benefit from these programs and services contact the IDED Regulatory Assistance Team at www.iowalifechanging.com or call 1.800.245.4692. Let our knowledgeable staff help you turn your ideas into reality.